

COUNCIL ON PENSIONS AND INSURANCE

Amendment No. 1 to SB3245

McNally
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 3245*

House Bill No. 3813

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 36, Part 1, is amended by adding the following as a new, appropriately designated section:

§ 8-36-1____.

(a) (1) Notwithstanding § 8-36-121 or any other law to the contrary, members upon retirement may, on or after the date determined pursuant to subsection (c) of this section, name more than one (1) person as beneficiary under one of the options named in § 8-36-601(b). A member may not designate a non-human being such as a firm, organization, partnership, association, corporation, estate or trust as a beneficiary under any such option.

(2) The reduced retirement allowance payable to the member under the optional form of retirement elected shall be based on the member's age and the actual ages of the designated beneficiaries at the time of the member's retirement. The portion of the member's reduced retirement allowance that continues after the member's death to a particular beneficiary shall be calculated using the appropriate reduction factors based on the actual age of the respective beneficiary at the time of the member's retirement. When a beneficiary of a retired member dies, that portion of the benefit payment shall terminate and shall not be distributed or redistributed to the remaining beneficiaries. The designation of beneficiary under an optional form of retirement shall supersede the designation of all previous beneficiaries, and may not be changed or revoked, except as provided in part 6 of this chapter.

(b) Notwithstanding § 8-36-121, § 8-36-109, or any other law to the contrary, if a member who has reached the applicable eligibility requirements for an early or service retirement allowance dies in service and if such member designated more than one (1) person as beneficiary, then such beneficiaries shall be entitled to a retirement allowance if the death occurs on or after the date determined pursuant to subsection (c) of this section. The retirement allowance shall be equal to the retirement allowance which would have been payable under subsection (a) of this section had the member retired under an effective election of Option 1 as provided in § 8-36-601(b) with such persons nominated as beneficiaries under the option.

(2) Notwithstanding subdivision (b)(1) above, if any of the designated beneficiaries include a non-human being such as a firm, organization, partnership, association, corporation, estate or trust, then the only benefit payable would be a lump sum payment made in accordance with § 8-36-107, unless the member's surviving spouse is one of the beneficiaries. If the member's surviving spouse is named, the spouse shall be entitled to receive the retirement allowance described in subdivision (b)(1) above. If the named surviving spouse elects to receive such retirement allowance, no benefits shall be paid to the remaining beneficiaries. If the named surviving spouse elects to receive the lump sum payment as provided in § 8-36-107, the payment shall be distributed in equal proportions among the named surviving spouse and the other surviving beneficiaries, including any non-human beneficiary.

(c) The provisions of this section shall apply on such date as the retirement system's retirement operating systems are able to accommodate the payment of multiple beneficiaries as provided in this section. Such determination shall be made by the state treasurer.

SECTION 2. Tennessee Code Annotated, Section 8-36-609, is amended by deleting the same in its entirety.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

